

that, that we knocked out a lot of retailers. The sale of pickles may go down, and if we knocked out 15 more organizations that are now selling pickles, it may go down rather than up and maybe that's why we feel that we need an increase in tax. But I tell you now, that if we increase the pickle tax to 16 or 20 percent of the definite profit, it is an increase in tax whether we like it or not. I oppose doing that, but I will support this because it's better than the other.

SPEAKER BARRETT: Thank you. Senator Korshoj. Thank you. Senator Morehead, Senator Higgins on deck.

SENATOR MOREHEAD: Mr. Speaker and colleagues, the one thing that I would like to point out for you is what is proposed and what the law has been and what actually exists. Right now we have not had a cap on payout and, consequently, cards are being marketed with close to 80 percent payout to the public. With 80 percent payout to the public, there has been no way that an organization could get any money. In fact, organizations were realizing on 25 cent cards about \$63, when you got the units out there. Now by capping the payouts, as we are, by giving the operators a reasonable commission for marketing these, yes, the operators are getting more. Granted, I would not like to have that, but reality says that if you don't pay the operators reasonably, reality says if you don't pay the sales agents reasonably, they aren't going to sell them. They either aren't going to sell them, they aren't going to market them or they are going to be encouraged to take kickbacks under the table and we don't want to encourage any of that. As a state in setting up reasonable regulations and reasonable limits, we want to encourage openness and compliance with the law. So, maybe it looks like the organizations aren't going to get as much, but in reality they are going to get more because it's going to be a fair scheme. And by making it a fair scheme to all involved, I mean, well, I hope it is a fair scheme, we can only hope. You know, I have a feeling that it's like one of those balloons you blow up, it pooks out in one direction and when you pull it in, it pooks out in another direction, so I kind of feel that way about pickle cards. But we're trying to make it fair to encourage compliance and, too, even though the figures look like the organizations aren't going to get more money, because the amount being paid out comes down, the organizations will get more money, more money than the reality of the marketplace is right now. And what the law is right now and what the reality of the marketplace is are two entirely different things. Let's